Remarks

Claims 1-18 remain pending. No new matter has been added, and no new material presented that would necessitate an additional search on the part of the Examiner.

Claims are novel

The Office Action on page 2, ¶ 2 rejects claims 1-8, 10-15, 17 and 18 under 35 U.S.C. § 102(e) as being anticipated by Robinson (U.S. patent application number 2001/0054001, filed December 20, 2001).

Before analyzing the prior art reference cited in the Office Action, Applicants believe that a brief description of the claimed subject matter would be of use to the Examiner.

Independent claim 1 is directed to a method of presenting a commercial in a time slot to a viewer, the method having the step of providing one or more commercials to a receiver which is operatively coupled with a display device. Each commercial has an agent associated with it, and the agent for each commercial is configured to place a bid for the time slot on behalf of the associated commercial. Then the method invokes the auctioning of the time slot to the one or more commercials provided to the receiver and selects the commercial having the agent which placed a winning bid. The commercial having the agent which placed the winning bid is displayed during the time slot.

Independent claim 11 is directed to a system for presenting a commercial in a time slot to a viewer, the system having at least one source of one or more commercials. The source provides each commercial and an agent associated with the commercial. The agent for each commercial is configured to place a bid for the time slot on behalf of the associated commercial. The system also contains a receiver operatively coupled with a display device.

The receiver is configured to receive each commercial and associated agent. Additionally, the system contains a processor operatively coupled with the receiver. The processor is capable of executing instructions encoded by the agent associated with each commercial to determine the bid to be placed for the time slot, auctioning the time slot to the one or more commercials provided to the receiver, selecting the commercial having the agent which placed a winning bid, and displaying the selected commercial on the display device during the time slot.

Independent claim 18 is directed to a method of presenting a commercial in a time slot to a viewer, the method having the steps of providing one or more commercials to a receiver operatively coupled with a display device. Each commercial has an agent associated with the commercial, who is configured to place a bid for the time slot on behalf of the associated commercial. The method also maintains a profile database to store data related to local viewer preferences. The method allows the agent for at least one commercial to access the local viewer preference related data in the profile database. The agent uses the accessed local viewer preference related data to determine the bid to be placed for the time slot. The method also includes auctioning of the time slot to the one or more commercials provided to the receiver. Additionally, the method includes selecting the commercial having the agent which placed a winning bid, and displaying the selected commercial on the display device during the time slot. Finally, the method includes storing information related to the commercial having the agent which placed the winning bid in a vault.

Applicants point out that each of these claims is directed to auctioning time slots, and that the claims are directed at video broadcasting (e.g. analog and digital television programming, including "on demand" video) or radio broadcasting.

Applicants show below that Robinson is not the same as the subject matter of these claims, and therefore fails to anticipate the claims.

Robinson, U.S. patent application number 2001/0054001, filed December 20, 2001

Robinson shows methods of tailoring advertisements on a computer through the use of an auction. In particular, Robinson shows placement of advertisements on web pages. See Robinson, p. 1, paragraph 3 (discussing privacy concerns on the World Wide Web because of cookies); Ibid., p. 1, paragraph 9 (discussing a "typical Internet-based environment"); Ibid., p. 1, paragraph 17 (implementation of invention as part of a Web browser); Ibid., p. 2, paragraph 30 (use of TCP/IP sockets and XML for transmission of auction results).; Ibid, p. 3, paragraph 47 (giving the agent knowledge of the "identity of the Web page being viewed"); Ibid., p. 6, paragraph 91 (allowing the agent to know if the advertisement has been "clicked on"); Ibid., p. 6, paragraph 93 (allowing agent to have access to URL); Ibid., p. 6, paragraph 94 (allowing agents to determine if the user had "touched his keyboard in 15 minutes"); Ibid., p. 8, paragraph 132 (discussing the Netscape standard interface for plug-ins); Ibid., p. 9, paragraph 137 (discussing implementation in an Internet Explorer environment); Ibid., p. 9, paragraph 139 (discussing implementation as a Java applet).

Robinson fails to show an auction for commercials during radio programs and fails to show an auction for time slots for television advertisements.

With respect to claim 18, the Office Action cites page 1, paragraphs 5, 6, and 10 and page 6, paragraphs 89-91 and 94 of Robinson, alleging that Robinson discloses a method that, in part, stores local "viewing habit information." However Robinson does not further explain any relationship between the viewing of television and the term "behavioral information." Therefore, Robinson does not show any method that includes any storing a winning bid of an auction in a vault and therefore does not anticipate claim 18.

According to the *Manual of Patent Examining Procedure*, "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Manual of Patent Examining Procedure* § 2131 (8th ed., Rev. 4, Oct. 2005), *citing Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 U.S.P.Q. 2d 1051, 1053 (Fed. Cir. 1987). Thus, the standard for rejection under 35 U.S.C. § 102 is identity.

Applicants assert that for any of the above reasons, claims 1, 11 and 18 are not the same as Robinson, and therefore are not anticipated by Robinson. Claims 2-8, 12-15, and 17 depend directly or indirectly from claims 1 and 11, and incorporate all of the subject matter of these claims, and therefore these claims also are not anticipated.

Applicants respectfully request that rejection of claims 1-8, 10-15, 17 and 18 under 35 U.S.C. § 102 be withdrawn.

Claims are not obvious

The Office Action on pages 4-5, ¶ 4 rejects claim 9 under 35 U.S.C. § 103(a) as obvious in light of Robinson in view of Official Notice of a Dutch auction. The Office

Action on page 5, ¶ 5 rejects claim 16 as obvious under § 103(a) in light of Robinson and Zigmond, et al. (U.S. Patent Number 6,698,020, issued Feb. 24, 2004).

Robinson is described above. Claim 9 is dependent on claim 1 and incorporates the subject matter of claim 1. As explained, claim 1 is directed toward the auctioning of a time slot for advertising. Robinson does not teach or suggest any time slots, nor any auctioning of time slots.

Official Notice of Dutch Auction for Resources

The Examiner took Official Notice "that it is well known within the prior art to auction off resources through the use of a Dutch auction, wherein the initial asking price is set high and reduced until one of the auction participant is willing to accept the asking price." Official Notice of Dutch auctions however does not teach or suggest auctioning of time slots for broadcast radio or television. Dutch auctions are, of course, named after their best known example, the Dutch tulip auction and are generally associated with auctioning of goods.

Therefore Official Notice of Dutch auctions fails to cure the defects of Robinson, and Claim 9 is not obvious in view of this combination of references.

Claim 16 incorporates all of the subject matter of claim 11, which was discussed above. Claim 11 is directed toward a system for the auctioning of a time slot for advertising. As shown above, Robinson does not teach or suggest auctioning of time slots because Robinson shows only Internet advertising.

Zigmond et al., U.S. Patent Number 6,698,020, issued February 24, 2004

Zigmond shows methods for insertion of advertisements into a video program feed at the household level. See Zigmond, column 4, lines 7-11. More specifically, Zigmond shows the use of parameters associated with either advertisements or viewers. Ibid., column 14, lines 1-34 ("The ad selection criteria may be set or modified by the viewer, as well ...").

Zigmond fails to teach or suggest the use of an auction for selecting an advertisement to be displayed in a time slot, which is the subject matter of claims 1, 11 and 18. Zigmond neither uses any of the words "auction," "bid" or "sale," nor shows any process that would teach or suggest the use of an auction. Furthermore, Zigmond fails to teach or suggest any form of the sale of advertising on a receiver by receiver basis.

In fact, Zigmond teaches away from the use of an auction, showing rather that users are directly presented with a choice of multiple advertisements to view, without a need for any auction, any agent or any bidding by any agent:

> In yet another embodiment, two or more appropriate advertisements are selected for an available time slot in the video programming feed. Each of the two or more selected advertisements is displayed at the appropriate time using a split-screen or another arrangement by which the viewer may see both advertisements. The viewer then has the option of choosing one of the displayed advertisements that is of greatest interest. A default or machine-selected ad can be displayed if no selection is made. This method of displaying multiple advertisements gives the viewer an increased degree of interactivity with respect to the selection of the advertisements. [Ibid., column 16, lines 65-67 to column 17, lines 1-5; emphasis added]

Thus Zigmond's viewer has a choice. Zigmond shows an entirely different mechanism than the method of claims 1 and the system of claim 11 in which an agent bids for the placement of a commercial through an auction, and the viewer sees only the commercial from a winning bid in the timeslot.

Legal Analysis

Whether an invention would have been obvious under 35 U.S.C. § 103(a) is a legal conclusion based on underlying findings of fact. *In re Kotzab,* 217 F.3d 1365, 1369 (Fed. Cir. 2000).

The *Manual of Patent Examining Procedure* states: "[t]o establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure." [emphases added]. *Manual of Patent Examining Procedure* §2142 (8th Ed. Rev. 4, Oct. 2005); *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q. 2d 1438 (Fed. Cir. 1991).

Analysis of references combined

To establish obviousness based on a combination of the elements disclosed in the prior art in the absence of any hindsight, there must be some motivation, suggestion or teaching of the desirability of making the specific combination that was made by the applicant. *Manual of Patent Examining Procedure* §2142 (8th Ed. Rev. 4, Oct. 2005). The teaching or suggestion, not merely to make the claimed combination, but also of a reasonable expectation of success, must both be found in the prior art, and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488; 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991).

Neither Robinson nor Zigmond cite each other. Under the legal criteria discussed above, Robinson and Zigmond, alone or in combination, fail to provide any motivation for making any combination with the other, let alone suggest that such a combination would have been successful. As there is no citation in either of Robinson or Zigmond to the other, there can be no teaching or suggestion to combine these references. For these reasons also, the combination of these references fails to teach or suggest the present claims and fails therefore to teach that the combination would have been successful.

Neither Robinson nor Zigmond would have provided any explicit or implicit motivation to one of ordinary skill in the art to have combined any elements of these primary references at the time the application was filed to have arrived at the present claims of Applicants' invention. Therefore, making the combination is using Applicants' own specification as a blueprint to reconstruct the claims, which is impermissible hindsight, viz., extracting merely an element or word from each reference, to attempt to reconstruct Applicants' claims when neither reference explicitly or implicitly teaches or suggests such a combination, let alone teaches or suggests a reasonable expectation or success.

For any of the above reasons, Applicants assert that claims 1 and 11 are not obvious, and therefore each of claims 9 and 16, which include all of the subject matter of claims 1 and 11, respectively, and include additional subject matter, also are not obvious in view of these references. Applicants respectfully request that the rejection of claims 9 and 16 under 35 U.S.C. § 103(a) be withdrawn.

Summary

On the basis of the foregoing reasons, Applicants respectfully submit that the pending claims are in condition for allowance, which is respectfully requested.

If there are any questions regarding these remarks, the Examiners are invited and encouraged to contact Applicants' representative at the telephone number provided.

Respectfully submitted,

LAWSON & WEITZEN, LLP

Sonia K. Guterman
Reg. No. 44,729
Attorney for Applicants
Lawson & Weitzen, LLP
88 Black Falcon Ave., Suite 345
Boston, Massachusetts 02110-2481
Tel: (617) 439-4990
Fax: (617) 439-3987

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